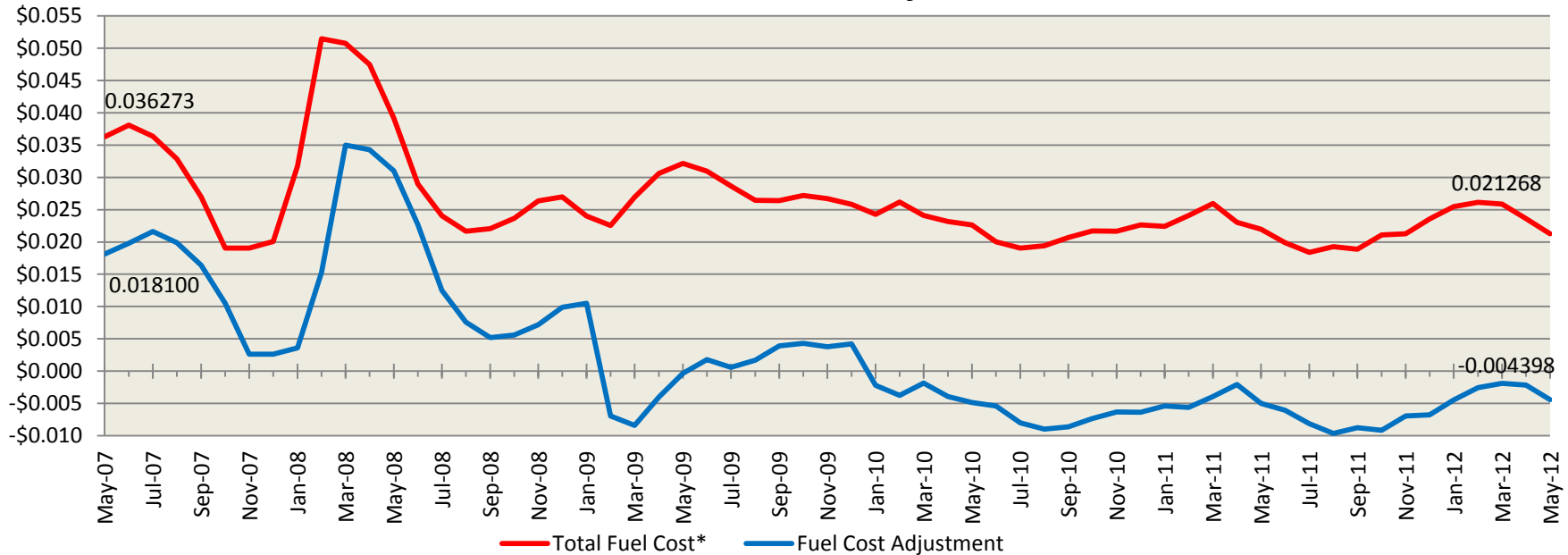


Otter Tail Power Co. Residential Fuel Cost Adjustments



*The difference between the Total Fuel Cost and the Fuel Cost Adjustment is the amount of fuel costs included in the base rate. The amount of fuel costs included in base rate of Otter Tail Power Co. was reduced from \$0.030945 to \$0.028030 effective December, 2009.

About the Fuel Cost Adjustment

- ***The difference between the Total Fuel Cost and the Fuel Cost Adjustment is the amount of fuel costs included in the base rate. The amount of fuel costs included in the base rate of Otter Tail Power Co. was reduced from \$0.030945 to \$0.028030 effective December 2009.**
- **The Total Fuel Cost reflects the cost of fuel to produce electricity and the cost to purchase electricity on the market.**
- **Utilities are allowed to pass the cost of fuel on to the consumer and they do not make a profit from it.**
- **The Fuel Cost Adjustment appears on your bill each month and is applied to each kilowatt-hour of electricity consumed**

Otter Tail Power Co.
Residential Total Fuel Cost

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------|------------|------------|------------|------------|------------|------------|------------|------------|
| January | \$0.018973 | \$0.026373 | \$0.028073 | \$0.031773 | \$0.024011 | \$0.024256 | \$0.022397 | \$0.025487 |
| February | \$0.018873 | \$0.028973 | \$0.030273 | \$0.051473 | \$0.022550 | \$0.026200 | \$0.024112 | \$0.026155 |
| March | \$0.021073 | \$0.027973 | \$0.030373 | \$0.050773 | \$0.026938 | \$0.024091 | \$0.025951 | \$0.025879 |
| April | \$0.022073 | \$0.030273 | \$0.034573 | \$0.047473 | \$0.030610 | \$0.023186 | \$0.023047 | \$0.023632 |
| May | \$0.022273 | \$0.029473 | \$0.036273 | \$0.039173 | \$0.032159 | \$0.022641 | \$0.021969 | \$0.021268 |
| June | \$0.022673 | \$0.029473 | \$0.038073 | \$0.028973 | \$0.030974 | \$0.020006 | \$0.019887 | |
| July | \$0.025573 | \$0.033173 | \$0.036373 | \$0.024073 | \$0.028645 | \$0.019037 | \$0.018371 | |
| August | \$0.032773 | \$0.033373 | \$0.032873 | \$0.021673 | \$0.026468 | \$0.019412 | \$0.019283 | |
| September | \$0.028673 | \$0.028873 | \$0.026973 | \$0.022073 | \$0.026407 | \$0.020681 | \$0.018891 | |
| October | \$0.029473 | \$0.024573 | \$0.019073 | \$0.023673 | \$0.027191 | \$0.021719 | \$0.021095 | |
| November | \$0.027473 | \$0.024273 | \$0.019073 | \$0.026373 | \$0.026711 | \$0.021665 | \$0.021262 | |
| December | \$0.023673 | \$0.024373 | \$0.020073 | \$0.026973 | \$0.025808 | \$0.022635 | \$0.023586 | |

Otter Tail Power Co.
Residential Fuel Cost Adjustments

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|
| January | \$0.002500 | \$0.009900 | \$0.011600 | \$0.015300 | \$-0.006934 | \$-0.003774 | \$-0.005633 | \$-0.002543 |
| February | \$0.002400 | \$0.012500 | \$0.013800 | \$0.035000 | \$-0.008395 | \$-0.001830 | \$-0.003918 | \$-0.001875 |
| March | \$0.004600 | \$0.011500 | \$0.013900 | \$0.034300 | \$-0.004007 | \$-0.003939 | \$-0.002079 | \$-0.002151 |
| April | \$0.005600 | \$0.013800 | \$0.018100 | \$0.031000 | \$-0.000335 | \$-0.004844 | \$-0.004983 | \$-0.004398 |
| May | \$0.005800 | \$0.013000 | \$0.019800 | \$0.022700 | \$0.001800 | \$-0.005389 | \$-0.006061 | \$-0.006762 |
| June | \$0.006200 | \$0.013000 | \$0.021600 | \$0.012500 | \$0.000600 | \$-0.008024 | \$-0.008143 | |
| July | \$0.009100 | \$0.016700 | \$0.019900 | \$0.007600 | \$0.001700 | \$-0.008993 | \$-0.009659 | |
| August | \$0.016300 | \$0.016900 | \$0.016400 | \$0.005200 | \$0.003900 | \$-0.008618 | \$-0.008747 | |
| September | \$0.012200 | \$0.012400 | \$0.010500 | \$0.005600 | \$0.004300 | \$-0.007349 | \$-0.009139 | |
| October | \$0.013000 | \$0.008100 | \$0.002600 | \$0.007200 | \$0.003754 | \$-0.006311 | \$-0.006935 | |
| November | \$0.011000 | \$0.007800 | \$0.002600 | \$0.009900 | \$0.004234 | \$-0.006365 | \$-0.006768 | |
| December | \$0.007200 | \$0.007900 | \$0.003600 | \$0.010500 | \$-0.002222 | \$-0.005395 | \$-0.004444 | |

Otter Tail Power Co. Residential Bill Comparison
(Compares differences in bill amounts due to change in Fuel Cost Adjustments)

| Month | Usage | Difference from previous month | Difference from one year ago |
|----------------|--------------|---------------------------------------|-------------------------------------|
| May 2012 | 750 kWh | \$-3.46 | \$-1.33 |
| April 2012 | 750 kWh | \$-1.89 | \$-1.74 |
| March 2012 | 750 kWh | \$0.29 | \$1.33 |
| February 2012 | 750 kWh | \$1.93 | \$2.82 |
| January 2012 | 750 kWh | \$3.17 | \$2.14 |
| December 2011 | 750 kWh | \$1.87 | \$1.44 |
| November 2011 | 750 kWh | \$1.78 | \$-0.34 |
| October 2011 | 750 kWh | \$1.36 | \$0.31 |
| September 2011 | 750 kWh | \$0.39 | \$-0.39 |
| August 2011 | 750 kWh | \$-0.45 | \$0.18 |
| July 2011 | 750 kWh | \$-2.70 | \$-1.23 |
| June 2011 | 750 kWh | \$-2.37 | \$-2.07 |
| May 2011 | 750 kWh | \$-2.99 | \$-0.91 |
| April 2011 | 750 kWh | \$-0.80 | \$-0.78 |
| March 2011 | 750 kWh | \$2.67 | \$-0.19 |
| February 2011 | 750 kWh | \$1.11 | \$-0.11 |
| January 2011 | 750 kWh | \$0.55 | \$-2.56 |
| December 2010 | 750 kWh | \$0.69 | \$-7.22 |
| November 2010 | 750 kWh | \$0.74 | \$-7.59 |
| October 2010 | 750 kWh | \$1.73 | \$-7.96 |
| September 2010 | 750 kWh | \$1.23 | \$-8.44 |
| August 2010 | 750 kWh | \$-0.45 | \$-7.74 |
| July 2010 | 750 kWh | \$-2.70 | \$-7.19 |
| June 2010 | 750 kWh | \$-2.39 | \$-7.37 |
| May 2010 | 750 kWh | \$-1.09 | \$-3.79 |
| April 2010 | 750 kWh | \$-2.26 | \$-0.63 |
| March 2010 | 750 kWh | \$-0.12 | \$3.34 |
| February 2010 | 750 kWh | \$0.29 | \$3.83 |
| January 2010 | 750 kWh | \$-6.01 | \$-10.71 |
| December 2009 | 750 kWh | \$-4.84 | \$-9.54 |
| November 2009 | 750 kWh | \$0.36 | \$-4.25 |

